

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1379 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Tom Gann

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1379

By: Gann

7  
8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to public finance; amending 62 O.S.  
10 2021, Sections 851, 853, and 855, which relate to the  
11 Local Development Act; modifying definitions;  
12 modifying references to blight; modifying procedures  
13 for approval of certain district, plan or project;  
14 requiring submission of question to voters of  
15 applicable jurisdiction; requiring approval of  
16 district, plan or project by majority vote; modifying  
17 provisions related to supermajority approval by  
18 governing board; modifying provisions related to  
19 confidential information; and providing an effective  
20 date.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 62 O.S. 2021, Section 851, is  
23 amended to read as follows:

24 Section 851. The Local Development Act shall serve to implement  
and execute Section 6C of Article X of the Oklahoma Constitution as

1 approved by the voters of the State of Oklahoma on November 6, 1990,  
2 by:

3 1. Providing for the granting of incentives and exemptions from  
4 taxation within certain areas, placing restrictions thereon, and  
5 limiting the time period for the exemptions, as authorized by  
6 subsection A thereof;

7 2. Providing for apportionment of an increment of local taxes  
8 and fees, placing restrictions thereon, and limiting the time period  
9 for the apportionment, as authorized by subsection B thereof; and

10 3. Providing for the planning, financing, and carrying out of  
11 development and redevelopment within certain areas, as authorized by  
12 subsection C thereof.

13 Nothing in the Local Development Act shall be construed in a  
14 manner contrary to or inconsistent with the provisions of said  
15 constitutional provision.

16 The Legislature hereby finds that historic preservation,  
17 reinvestment or enterprise areas as defined under this act are  
18 unproductive, undeveloped, or underdeveloped ~~or blighted~~ areas  
19 pursuant to subsection C of Section 6 of Article X of the Oklahoma  
20 Constitution.

21 SECTION 2. AMENDATORY 62 O.S. 2021, Section 853, is  
22 amended to read as follows:

23 Section 853. As used in Section 850 et seq. of this title:  
24

1       1. "Apportionment" means the direction by a governing body,  
2 authorized by the Legislature pursuant to Section 6C of Article X of  
3 the Oklahoma Constitution, to apply all or any portion of an  
4 increment of ad valorem taxes and all or any portion of sales taxes,  
5 other local taxes or local fees, or any combination thereof, to  
6 financing a plan and project in accordance with this act;

7       2. "Apportionment area" means the same as an increment district  
8 as defined under this act;

9       3. "Bonds" means evidences of indebtedness, tax apportionment  
10 bonds or other obligations issued by a public entity pursuant to the  
11 provisions of Section 863 of this title to finance project costs,  
12 pursuant to a project plan, which are to be repaid in whole or part  
13 with apportioned increments;

14       4. "District" means either an incentive district as authorized  
15 by Section 860 of this title or an increment district as authorized  
16 by Section 861 of this title. A district may consist of all or a  
17 portion of a project area;

18       5. "Enterprise area" means any area within a designated state  
19 or federal enterprise zone;

20       6. "Enterprise zone" means an enterprise zone as designated by  
21 the Department of Commerce pursuant to the provisions of Section  
22 690.3 of this title or as designated by the federal government;

23       7. "Governing body" means the city council of a city, the board  
24 of trustees of a town or the board of county commissioners;

1       8. "Historic preservation area" means a geographic area listed  
2 in or nominated by the State Historic Preservation Officer to the  
3 National Register of Historic Places, an historic structure or  
4 structures listed individually in or nominated by the State Historic  
5 Preservation Officer to the National Register of Historic Places,  
6 with such area or structure being subject to historic preservation  
7 zoning, or for purposes of ad valorem tax exemptions provided for in  
8 subsection D of Section 860 of this title, a structure subject to  
9 historic preservation zoning. Rehabilitation undertaken in an  
10 historic preservation area shall meet the Secretary of the  
11 Interior's Standards for Rehabilitation, latest revision, in order  
12 to be eligible for the incentives or exemptions granted pursuant to  
13 Section 860 of this title;

14       9. "Increment" means that portion of ad valorem taxes in excess  
15 of the amount of that portion of the taxes which are produced by the  
16 levy at the rate fixed each year by or for each such ad valorem  
17 taxing entity upon the base assessed value of the district or as to  
18 an area later added to the district, the effective date of the  
19 modification of the plan, or that portion of sales taxes, other  
20 local taxes or local fees collected each year reasonably determined  
21 by a formula approved by the governing body to be generated by the  
22 project, regardless of taxable location or recipient local public  
23 taxing entity, which may be apportioned for specific project costs  
24

1 or as a specific revenue source for other public entities in the  
2 area in which the project costs take place;

3 10. "Local taxes" means ad valorem taxes, sales taxes and other  
4 local taxes which are levied by or on the behalf of a taxing entity;

5 11. "Planning commission" means an organization established for  
6 local planning by local government or governments in accordance with  
7 the laws of this state;

8 12. "Project" means all development activities pursuant to the  
9 objectives of the project plan;

10 13. "Project area" means the geographic boundaries within which  
11 development activities will occur. The project area may be  
12 coextensive or larger than the increment district;

13 14. "Project costs" means the expenditures made or estimated to  
14 be made and monetary obligations incurred or estimated to be  
15 incurred which are listed in the project plan as costs of and  
16 incidental to planning, approval and implementation of the project  
17 plan. Any income, special assessments, or other revenues received,  
18 or reasonably expected to be received, by the city, town or county  
19 in connection with the implementation of the project plan may be  
20 used to pay project costs. Project costs include, but are not  
21 limited to:

22 a. capital costs, including the actual costs of the  
23 acquisition and construction of public works, public  
24 improvements, new public or private buildings,

1 structures, and fixtures; the actual costs of the  
2 acquisition, demolition, alteration, remodeling,  
3 repair, or reconstruction of existing public or  
4 private buildings, structures, and fixtures; and the  
5 actual costs of the acquisition of land and equipment  
6 for public works, public improvements and public  
7 buildings and the actual costs of clearing and grading  
8 of such land and environmental remediation related  
9 thereto,

10 b. financing costs, including interest paid to holders of  
11 evidences of indebtedness or other obligations issued  
12 to pay for project costs and premium paid over the  
13 principal amount of the obligations because of the  
14 redemption of the obligations before maturity,

15 c. real property assembly costs, including clearance and  
16 preparation costs,

17 d. professional service costs, including those incurred  
18 for architectural, planning, engineering, legal and  
19 financial advice and services,

20 e. direct administrative costs, including reasonable  
21 charges for the time spent by employees of the city,  
22 town or county in connection with the implementation  
23 of a project plan or employees of private entities  
24

1 under contract with a public entity for project  
2 planning or implementation,

3 f. organizational costs, including the costs of  
4 conducting environmental impact studies or other  
5 impact studies, the cost of publicizing the  
6 consideration of the project plan, costs incidental to  
7 creation of the district, and the cost of implementing  
8 the project plan for the district,

9 g. interest, before and during construction and for two  
10 (2) years after completion of construction, whether or  
11 not capitalized,

12 h. fees for bond guarantees, letters of credit and bond  
13 insurance,

14 i. the amount of any contributions offset made in  
15 connection with the implementation of the project  
16 plan,

17 j. the costs for determining or redetermining the base  
18 assessed value of a district,

19 k. costs of construction of public works or improvements,  
20 including but not limited to highways, roads, streets,  
21 bridges, sewers, traffic control systems and devices,  
22 telecommunications systems, parks, water distribution  
23 and supply systems, curbing, sidewalks and any similar  
24 public improvements, common utility or service



1 facilities, landscaping, parking, and water  
2 detention/retention systems,

3 1. all or a portion of another taxing jurisdiction's  
4 capital costs resulting from the development or  
5 redevelopment project necessarily incurred or to be  
6 incurred in furtherance of the objectives of the plan  
7 and project, to the extent the governing body by  
8 written agreement accepts and approves such costs,

9 m. relocation costs to the extent that a governing body  
10 determines that relocation costs shall be paid or are  
11 required to be paid by federal or state law,

12 n. all costs incurred in the maintenance, management,  
13 marketing and other services provided through an  
14 active Main Street Program recognized as such by the  
15 Oklahoma Department of Commerce, and

16 o. assistance in development financing to the extent the  
17 governing body approves such financing;

18 15. "Project plan" means the approved plans of a city, town or  
19 county which may include a designated district or districts under  
20 this act in conformance with its comprehensive plan, which is  
21 intended by the payment of costs through apportionment of the  
22 increment or by the granting of incentives or exemptions to reduce  
23 or eliminate those conditions, the existence of which qualified the  
24 district, and to thereby enhance private investment of the tax bases

1 of the taxing entities which extend into the district. Project  
2 plans may be a part of and incorporate existing neighborhood,  
3 renewal, economic development, public school and other such plans.  
4 Each project plan shall conform to the requirements specified by  
5 this act;

6 16. "Public entity" means any city, town, county, board,  
7 commission, authority, district, urban renewal authority or public  
8 trust;

9 17. "Reinvestment area" means any area located within the  
10 limits of a city, town or county requiring public improvements,  
11 including but not limited to transportation-related projects  
12 identified by any transportation authority pursuant to Section  
13 1370.7 of Title 68 of the Oklahoma Statutes, to reverse economic  
14 stagnation or decline, to serve as a catalyst for retaining or  
15 expanding employment, to attract major investment in the area or to  
16 preserve or enhance the tax base or in which fifty percent (50%) or  
17 more of the structures in the area have an age of thirty-five (35)  
18 years or more. Such an area is detrimental to the public health,  
19 safety, morals or welfare. Such an area may become a ~~blighted~~ an  
20 underdeveloped area because of any one or more of the following  
21 factors: dilapidation; obsolescence; deterioration; illegal use of  
22 individual structures; presence of structures below minimum code  
23 standards; abandonment; excessive vacancies; overcrowding of  
24 structures and community facilities; lack of ventilation, light or

1 sanitary facilities; inadequate utilities; excessive land coverage;  
2 deleterious land use or layout; depreciation of physical  
3 maintenance; and lack of community planning. ~~Such an area includes~~  
4 ~~a blighted area as defined in Section 38-101 of Title 11 of the~~  
5 ~~Oklahoma Statutes at the time of approval of the project plan; and~~

6 18. "Taxing entity" or "taxing jurisdiction" means a city,  
7 town, county, school district, political subdivision or other local  
8 entity in which local taxes or fees are levied by or on its behalf.

9 SECTION 3. AMENDATORY 62 O.S. 2021, Section 855, is  
10 amended to read as follows:

11 Section 855. A. Prior to the adoption and approval of a  
12 project plan and the ordinance or resolution required under Section  
13 856 of this title and prior to the public hearing required under  
14 Section 859 of this title, the governing body shall appoint a review  
15 committee to review and make a recommendation concerning the  
16 proposed district, plan or project. The membership of the review  
17 committee shall consist of the following: a representative of the  
18 governing body who shall serve as chairperson; a representative of  
19 the planning commission having jurisdiction over the proposed  
20 district; a representative designated by each taxing jurisdiction  
21 within the proposed district whose ad valorem taxes might be  
22 impacted according to the plan; and three members representing the  
23 public at large and selected by the other committee members from a  
24 list of seven names submitted by the chairperson of the review

1 committee; provided, at least one of the members representing the  
2 public at large shall be a representative of the business community  
3 in the city, town, or county considering the proposed plan and  
4 project, and if a proposed plan objective is development of  
5 principally commercial retail, such representative shall be either a  
6 retailer or a representative of a retail organization.

7 B. The review committee shall consider and make its findings  
8 and recommendations to the governing body with respect to the  
9 conditions establishing the eligibility of the proposed district.  
10 The review committee recommendations shall include the analysis used  
11 to project revenues over the life of the project plan, the effect on  
12 the taxing entities and the appropriateness of the approval of the  
13 proposed plan and project. The review committee may recommend that  
14 the project plan be approved, denied or approved subject to  
15 conditions set forth by the committee.

16 C. Prior to approval by the governing body, the review  
17 committee shall consider and determine whether the proposed plan and  
18 project will have a financial impact on any taxing jurisdiction and  
19 business activities within the proposed district and shall report  
20 its findings to the governing body. Such considerations shall be  
21 concurrent with or subsequent to the review and consideration of the  
22 committee provided for in subsection B of this section. The  
23 approval of any district plan or project by the governing body shall  
24 address any findings of such impact by the review committee.

1 D. In the event of any changes in the area to be included in  
2 the proposed district or any substantial changes in the proposed  
3 plan and project or for any other reason deemed appropriate by the  
4 governing body, the review committee shall consider and may modify  
5 its findings and recommendations made pursuant to the provisions of  
6 subsection B of this section.

7 E. Approval of the proposed district or the proposed plan or  
8 project by the governing body which is in accord with the  
9 recommendation of the review committee shall be by a majority vote  
10 of the governing body. ~~Such approval which is not in accord with~~  
11 ~~the recommendations and/or conditions set forth by the review~~  
12 ~~committee shall be by a two thirds (2/3) majority vote~~ voters of the  
13 applicable jurisdiction. If the district, plan or project is  
14 sponsored by a county, the question for creation of the district,  
15 plan or project shall be submitted to a vote of the eligible voters  
16 of the county. If the district, plan or project is sponsored by a  
17 city or town, the question for creation of the district, plan or  
18 project shall be submitted to a vote of the eligible voters of the  
19 applicable city or town. No district, plan or project shall be  
20 created or approved unless a majority of the eligible voters voting  
21 on such question as provided by this subsection approve the creation  
22 of the district.

23 F. Meetings of the review committee shall be subject to the  
24 Oklahoma Open Meeting Act. ~~Any information relating to the~~

1 ~~marketing plans, financial statements, trade secrets or any other~~  
2 ~~proprietary information submitted to the review committee by a~~  
3 ~~person or entity seeking adoption and approval of a proposed~~  
4 ~~district, plan or project shall be confidential, except to the~~  
5 ~~extent that the person or entity which provided the information~~  
6 ~~consents to disclosure. Executive sessions may be held to discuss~~  
7 ~~such information if deemed necessary by the review committee.~~

8 SECTION 4. This act shall become effective November 1, 2023.

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